



To: Board of Supervisors

From: Lorina Gillette, Senior Procurement Officer

Date: May 29, 2013

Re: PC-112217 – Vehicles & Equipment: Parts, Repairs & Service

The purpose of this modification is to extend the term of Pinal County's Vehicles & Equipment: Parts, Repairs & Service contract with:

|  |                                |
|--|--------------------------------|
| Arizona Break & Clutch                 | M&S Equipment                  |
| Courtesy Chevrolet,                    | Manatee Tires                  |
| Day Auto Supply,                       | Newt Fogal Sales               |
| Earnhardt Buick GMC,                   | Norwood Equipment              |
| Earnhardt Ford,                        | Performance Plus               |
| Earnhardt Gilbert Chrysler Jeep Dodge, | Pinal Truck & Equipment Repair |
| Earnhardt Nissan,                      | RWC International              |
| Empire Southwest,                      | Spectrac Suspension            |
| Freightliner Sterling Western Star,    | Superglass Windshield Repair   |
| Garrett Motors,                        | Tune & Lube                    |
| Green Manufacturing,                   | Utility Trailer Sales          |
| Jasper Engines and Transmissions       | West Coast Equipment           |

This will be the first option period, from June 20, 2013 through June 19, 2014. There are three option periods remaining.

The County has spent approximately \$965,000.00 on parts and services using this contract in the past year. It is anticipated that a similar amount will be spent in the coming year of the contract.

The Board is also requested to authorize the Finance Director to approve and sign resulting purchase orders and related administrative documents. All other terms and conditions remained unchanged.

Lorina Gillette  
Senior Procurement Officer

|   |  |   |
|---|--|---|
|  <p><b>PINAL COUNTY</b><br/><i>wide open opportunity</i></p> | <p><b>CONTRACT: PC-112217</b></p> <p><b>Vehicles &amp; Equipment:<br/>Parts, Repairs &amp; Service</b></p> | <p>Pinal County<br/>Finance Department<br/>31 N. Pinal St.<br/>Bldg. A<br/>P.O. Box 1348<br/>Florence, AZ 85132</p> |
|---|--|---|

**MODIFICATION OF CONTRACT**

**Modification Number: (M01)**

**Modification Type:  Bilateral  Unilateral**

**Description:**

The purpose of this modification is to extend the term of the contract for its 1<sup>st</sup> option year.

In accordance with Pinal County Contract PC-112217 entered into on June 20, 2012 between Empire Southwest and Pinal County, Pinal County is exercising its unilateral right to extend the contract for the 1<sup>st</sup> option year, June 20, 2013 through June 19, 2014.

This modification also includes an increase in labor rates. The increase is within the allowable range. New labor rates will be as follows:

| <b>Description</b>                    | <b>2012 Labor Rate/hr</b> | <b>2013 Labor Rate/hr</b> |
|---------------------------------------|---------------------------|---------------------------|
| Shop labor rate                       | \$99.30                   | \$103.25                  |
| Shop labor rate - after hours         | \$130.10                  | \$135.30                  |
| Field service call rate               | \$129.15                  | \$135.60                  |
| Field service call rate - after hours | \$163.30                  | \$171.45                  |
| Mileage                               | \$129.15                  | \$135.60                  |
| Other Weld Shop                       | \$99.30                   | \$99.30                   |
| Other Weld Shop - after hours         | \$130.10                  | \$130.10                  |
| Other Lube Shop                       | \$83.35                   | \$85.00                   |
| Other Lube Shop after hours           | \$113.40                  | \$115.65                  |
| Other Lube Field                      | \$100.20                  | \$102.20                  |
| Lube Field after hours                | \$134.35                  | \$137.05                  |
| Hydraulic Shop                        | \$88.60                   | \$91.25                   |
| Hydraulic Shop after hours            | \$118.60                  | \$122.15                  |

|  |   |   |
|--|---|---|
| <br><b>PINAL COUNTY</b><br><i>wide open opportunity</i> | <b>CONTRACT: PC-112217</b><br><br><b>Vehicles &amp; Equipment:<br/>Parts, Repairs &amp; Service</b> | <b>Pinal County<br/>Finance Department<br/>31 N. Pinal St.<br/>Bldg. A<br/>P.O. Box 1348<br/>Florence, AZ 85132</b> |
|--|---|---|

All other terms and conditions of the Contract remain unchanged.

**County:**

|  |                             |
|--|-----------------------------|
| <b>NAME AND TITLE OF SIGNER:</b><br><br>Stephen Q. Miller, Chairman                                    |                             |
| <b>SIGNATURE:</b><br> | <b>DATE:</b><br><br>5-29-13 |



**Empire Southwest, LLC**

1725 S. Country Club Dr.  
Mesa, AZ 85210-6003  
480.633.4300 tel  
480.633.4489 fax

May 1, 2013

Lorina Gillette  
Senior Procurement Officer  
Pinal County Finance  
Phone: (520)-866-6639  
Email: Lorina.Gillette@pinalcountyz.gov

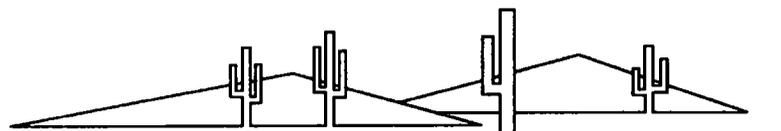
Dear Lorina,

Thank you for your continued business with Empire. Per your request, please find the following explanation of our labor rate adjustment process.

We review our labor rates annually to ensure we are in line with prevailing market conditions. We utilize an index drive model recommended by the Bureau of Labor Statistics as a guide to determine reasonable bounds for adjustments when necessary.

Current indexes used:

- Wages and salaries - Private industry Service-providing; natural resources, construction, and maintenance Series  
Id: CIU202S000400000I (I)
- Direct health and medical insurance carriers Individual comprehensive medical service plans Series  
Id: PCU52411452411410103
- CPI - West Urban - All Items Series Id: CUUR0400SA0
- Heavy duty truck manufacturing Trucks, truck tractors, and bus chassis (chassis of own manufacture) 33,001 lb or more Series  
Id: PCU3361203361202





**Empire Southwest, LLC**

1725 S. Country Club Dr.  
Mesa, AZ 85210-6003  
480.633.4300 tel  
480.633.4489 fax

We utilize the percent change in our base year of 2008 to current weighted by cost of sale (Labor sales) to provide a recommended allowance for adjustments.

Since 2009 we have taken less than the index guidance allowed for our labor rates, a decision made due to external market conditions.

Regards,

**Mike Kruse**  
Director of Service

encl/cc

